



ON Semiconductor®

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS
(in millions, except per share data)

	Quarter Ended			Year Ended	
	December 31, 2004	October 1, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Revenues	\$ 306.8	\$ 318.4	\$ 278.6	\$ 1,266.9	1,069.1
Cost of revenues	208.2	215.4	200.2	857.0	768.4
Gross profit	98.6	103.0	78.4	409.9	300.7
Operating expenses:					
Research and development	23.0	22.9	24.0	94.4	85.5
Selling and marketing	16.9	18.6	16.5	73.8	63.0
General and administrative	18.5	18.0	15.3	72.2	69.2
Amortization of intangible asset	-	-	-	-	5.9
Restructuring, asset impairments and other, net	5.6	-	29.9	19.6	61.2
Total operating expenses	64.0	59.5	85.7	260.0	284.8
Operating income (loss)	34.6	43.5	(7.3)	149.9	15.9
Other income (expenses), net:					
Interest expense	(21.1)	(22.0)	(34.9)	(101.2)	(151.1)
Interest income	0.6	0.6	0.5	2.2	2.0
Realized and unrealized foreign currency gains (losses)	(2.1)	(1.4)	2.3	(4.2)	4.6
Loss on debt prepayment	(96.3)	(3.0)	(1.3)	(159.7)	(7.7)
Other income (expenses), net	(118.9)	(25.8)	(33.4)	(262.9)	(152.2)
Income (loss) before income taxes, minority interests and cumulative effect of accounting change	(84.3)	17.7	(40.7)	(113.0)	(136.3)
Income tax benefit (provision)	(2.6)	(1.6)	(1.4)	(7.4)	(7.7)
Minority interests	(1.4)	(0.4)	(0.3)	(3.3)	(1.2)
Income (loss) before cumulative effect of accounting change	(88.3)	15.7	(42.4)	(123.7)	(145.2)
Cumulative effect of accounting change	-	-	-	-	(21.5)
Net income (loss)	(88.3)	15.7	(42.4)	(123.7)	(166.7)
Less: Accretion to redemption value of convertible redeemable preferred stock	0.1	0.1	(0.5)	(1.5)	(0.5)
Less: Redeemable preferred stock dividends	(2.6)	(2.5)	(2.5)	(9.9)	(9.2)
Less: Allocation of undistributed earnings to preferred stockholders	-	(2.0)	-	-	-
Net income (loss) applicable to common stock ⁽¹⁾	<u>\$ (90.8)</u>	<u>\$ 11.3</u>	<u>\$ (45.4)</u>	<u>\$ (135.1)</u>	<u>\$ (176.4)</u>
Income (loss) per common share:					
Basic: ^{(1) (2)}					
Net income (loss) applicable to common stock before cumulative effect of accounting change	\$ (0.36)	\$ 0.04	\$ (0.21)	\$ (0.55)	\$ (0.83)
Cumulative effect of accounting change	-	-	-	-	(0.11)
Net income (loss) applicable to common stock	<u>\$ (0.36)</u>	<u>\$ 0.04</u>	<u>\$ (0.21)</u>	<u>\$ (0.55)</u>	<u>\$ (0.94)</u>
Diluted: ^{(1) (2)}					
Net income (loss) applicable to common stock before cumulative effect of accounting change	\$ (0.36)	\$ 0.04	\$ (0.21)	\$ (0.55)	\$ (0.83)
Cumulative effect of accounting change	-	-	-	-	(0.11)
Net income (loss) applicable to common stock	<u>\$ (0.36)</u>	<u>\$ 0.04</u>	<u>\$ (0.21)</u>	<u>\$ (0.55)</u>	<u>\$ (0.94)</u>
Weighted average common shares outstanding:					
Basic	254.5	253.9	216.9	247.8	187.4
Diluted: ⁽³⁾	<u>254.5</u>	<u>285.9</u>	<u>216.9</u>	<u>247.8</u>	<u>187.4</u>

⁽¹⁾ Effective in the second quarter of 2004 and pursuant to EITF 03-6, under the two-class method of calculating basic earnings per share in periods in which we generate income, we will allocate net income available to common stockholders on a pro-rata basis between our common and preferred stockholders. Given our capital structure, this new standard has the effect lowering our basic earnings per share when compared with our previous method of calculating basic earnings per share.

⁽²⁾ Certain amounts may not total due to the rounding of individual components.

⁽³⁾ Effective in the fourth quarter of 2004 and pursuant to the adoption of EITF 04-8, the diluted weighted average common shares outstanding for the quarter ended October 1, 2004 has been revised to include 26.5 million shares from the assumed conversion of our zero coupon convertible notes.

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEET

(in millions)

	December 31, 2004	October 1, 2004	December 31, 2003
Assets			
Cash, cash equivalents and short-term investments	\$ 185.7	\$ 231.8	\$ 186.6
Receivables, net	131.5	151.7	136.1
Inventories, net	193.4	204.9	171.6
Other current assets	27.1	25.5	25.7
Deferred income taxes	2.8	4.4	2.7
Total current assets	540.5	618.3	522.7
Property, plant and equipment, net	472.0	479.8	499.1
Deferred income taxes	-	1.6	1.3
Goodwill	77.3	77.3	77.3
Other assets	20.6	43.7	61.0
Total assets	<u>\$ 1,110.4</u>	<u>\$ 1,220.7</u>	<u>\$ 1,161.4</u>
Liabilities, Minority Interests, Redeemable Preferred Stock and Stockholders' Deficit			
Accounts payable	\$ 104.4	\$ 110.1	\$ 115.7
Accrued expenses	100.7	100.8	89.9
Income taxes payable	2.4	4.0	1.7
Accrued interest	1.2	10.6	25.3
Deferred income on sales to distributors	96.7	109.5	66.2
Current portion of long-term debt	20.0	13.1	11.4
Total current liabilities	325.4	348.1	310.2
Long-term debt	1,131.8	1,126.5	1,291.5
Other long-term liabilities	32.2	43.6	58.2
Deferred income taxes	2.3	-	-
Total liabilities	1,491.7	1,518.2	1,659.9
Minority interests in consolidated subsidiaries	25.4	26.1	26.4
Redeemable preferred stock	131.1	128.6	119.7
Common stock	2.5	2.5	2.2
Additional paid-in capital	1,116.0	1,115.8	891.3
Accumulated other comprehensive loss	1.1	(1.4)	(4.4)
Accumulated deficit	(1,657.4)	(1,569.1)	(1,533.7)
Total stockholders' deficit	(537.8)	(452.2)	(644.6)
Total liabilities, minority interests, redeemable preferred stock and stockholders' deficit	<u>\$ 1,110.4</u>	<u>\$ 1,220.7</u>	<u>\$ 1,161.4</u>

ON Semiconductor Fourth Quarter 2004 Financial Tables

ON SEMICONDUCTOR CORPORATION AND SUBSIDIARIES UNAUDITED RECONCILIATION OF NET INCOME (LOSS) TO EBITDA* AND CASH PROVIDED BY OPERATING ACTIVITIES

(in millions)

	Quarter Ended			Year Ended	
	December 31, 2004	October 1, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Net income (loss)	\$ (88.3)	\$ 15.7	\$ (42.4)	\$ (123.7)	\$ (166.7)
Plus:					
Depreciation and amortization	25.5	25.5	27.2	102.1	127.8
Interest expense	21.1	22.0	34.9	101.2	151.1
Interest income	(0.6)	(0.6)	(0.5)	(2.2)	(2.0)
Income tax provision (benefit)	2.6	1.6	1.4	7.4	7.7
EBITDA*	(39.7)	64.2	20.6	84.8	117.9
Increase (decrease):					
Interest expense	(21.1)	(22.0)	(34.9)	(101.2)	(151.1)
Interest income	0.6	0.6	0.5	2.2	2.0
Income tax benefit (provision)	(2.6)	(1.6)	(1.4)	(7.4)	(7.7)
Loss (gain) on sale or disposal of fixed assets	0.7	-	0.4	12.8	(2.8)
Loss on debt prepayment	96.3	3.0	1.3	159.7	7.7
Amortization of debt issuance costs and debt discount	1.8	1.8	1.8	7.3	8.7
Provision for excess inventories	4.2	5.3	4.6	11.1	13.0
Cumulative effect of accounting change	-	-	-	-	21.5
Non-cash impairment of property, plant and equipment	3.3	-	20.2	3.3	30.7
Non-cash write down of other long-lived assets	-	-	4.3	-	25.1
Non-cash interest on junior subordinated note payable to Motorola	3.7	3.6	3.2	14.3	13.0
Deferred income taxes	5.5	(0.5)	5.1	3.5	0.3
Stock compensation expense	-	0.2	-	0.2	0.1
Other	0.8	0.6	0.6	3.4	3.4
Changes in operating assets and liabilities	(18.5)	(24.7)	1.5	(42.8)	(36.1)
Net cash provided by operating activities	<u>\$ 35.0</u>	<u>\$ 30.5</u>	<u>\$ 27.8</u>	<u>\$ 151.2</u>	<u>\$ 45.7</u>

*EBITDA represents net income (loss) before interest expense, interest income, provision for income taxes, depreciation and amortization expense. While EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and should not be considered as an indicator of operating performance or an alternative to cash flow as a measure of liquidity, we believe this measure is useful to investors to assess our ability to meet our future debt service, capital expenditure and working capital requirements. This calculation may differ in method of calculation from similarly titled measures used by other companies. The table above sets forth our EBITDA with a reconciliation to net cash provided by operating activities, the most directly comparable financial measure under generally accepted accounting principles.